G.R. S. IX-5]

1926-27

Previous references.

Edn 176-25-163 G.F.

File No. G.F. 50-a

Serial Nos. 142

Later references.

Preserve

GF. 244-38 (1927)

" 286-40 (1924)

Nil 147—41—1.2

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two.

Part B for Sept 1926

SUBJECT.

Solicits orders of Govt whether Govt dues can be deducted from the Provident Fund Deposits of Living Subscribers to the State Provident Fund.

Secy to

To The Comptroller to Govt

No PL 27767 29th Sept 1926

Desires that the Provident Fund Deposits of living depositors are not also liable to the claim of Govt.

AP

WD 01264—GPB—40,000 17

General and Revenue Secretariat

G.F File No. 50 of 1926.

Serial No. 1

From the Compt^r to Govt.

Letter No. 29/S.P.F dated 11/8/26.

Solicits orders of Govt whether Govt dues can be deducted from the provident deposits of living subscribers to that Fund.

There are two sub-sections under sec. 4 of the P.F Regn - Sub sec (1) applies only to exemptions from attachments under decrees of Courts of Justice and the Receiver appointed under the Mysore Insolvency Regn can have no claim on such deposits - Sub-section (2) affords protection from deductions of Govt dues in the case of deposits of deceased depositors. The legal interpretation on the question of protection given in the collection put up has therefore to be considered as applying to sub-sec. 2 only.

2. Our Regulation has been considered defective and it has therefore been ordered that it has to be modelled on the lines of the Govt of India Act. That file has been separated & submitted with a draft of a bill for consideration. No point of doubt now raised by Compt^r has been made clear in the draft bill proposed.

3. But the Regulation as it exists does not provide specifically for solving the doubt raised by Compt^r. Rule 9(1) however provides that the "sum which accumulates to the credit of an officer in permanent employ will, when he quits the service, become his absolute property & be handed over to him unconditionally". Under the Govt P.F & Rly P.F Rules definite provision is made for deduction of Govt dues,

(L.F 1711) file handed to Asst. Secy on 30/8/26.

NOTE—Contn. Sheet

Serial No.

from P.F. deposits.

4) But since all these P. Funds come under the same Regn (viz. P.F. Regn of 1916), it is necessary ~~to have a~~ to have a uniform rule & & make provision therefor in the Regn itself. The bill referred to in para 2 supra seeks to remedy the defect.

5) In the meanwhile the decision of Govt on the point raised by Compt under the existing law has to be communicated to him.

6). Legal opinion may be taken. Subd. Fin. Sec.

Ry 18/8

18826.

Bring up - Put up also Edn. Hlth Pov. fund files - & mark his point was discussed in the Edn Pr. fund file.

Ry 19/8

The Ry. P.F. Rules were issued from Ry. Secrt. & hence the file is not available in G.Rs. The G. Dn P.F file is stated to be in "Res" in Edn Branch. (vide requisition slip put up) - If necessary, this file may be referred to Edn Pr. to put up that file.

Ry 20/8.

The Edn file in question may be kindly put up.

AM 20.8.26

Dept Edn Sr with compts)

Edn file 176-25-81 (2 pts) is linked hereto. The same may be returned as early as possible.

21/8

Sr Dept Edn with compts)

599

Edn

NOTE.—Contn. Sheet

General and Revenue Secretariat

File No. 50 of 192 6

Serial No.

FINANCIAL SECRETARY
8 SEP. 1926
No.....

// The Comptroller suggests in his letter of 11th August that he is inclined to think that Government dues may be deducted from the deposit of living depositors and he gives reasons for arriving at this conclusion. He considers that this conclusion is inconsistent with our letter of 25th June 1926 - Flag C.

Kind attention is invited in this connection to the notes - para 23 - giving the opinion of the L. & L. Secretary in the matter, which has led up to the order in question. But when the Education Provident Fund file had gone up to L. & L. Secy. his opinion given therein coincides with the conclusion arrived at by the Comptroller. (Vide para 8 in File placed below - Flag M.) There he states that "As rules 38, 39 and 40 as framed shows that the Govt. dues are only to be recovered during the life-time of the subscriber, there seems to be no legal objection for retaining them ~~and can be 48 is in order~~". Apparently what appli to the Education Provident Fund must apply to the general Provident Fund also, because all these are governed by the same Provident Fund Regulation and in this view therefore the conclusion arrived at by the Comptroller appears to be in order. The opinion of the L. & . L. Secretary may perhaps be taken again as to why this ruling should not be made clear and our letter of 25th June amended suitably as per the opinion expressed in the Education Provident File.

B
8/9

7/8

NOTE—Contn. Sheet

WD 01264—GPB—40,000 17-1.

General and Revenue Secretariat | G-7 File No. 50 of 192-6

Serial No.

13 The Education and the Ry Provident fund Rules expressly provide for the recovery of the Govt. dues from the amount at credit of the depositor during his life time; but such an explicit provision does not exist in the State Provident Rules. In the absence of such a rule, it is doubtful if the recovery of the Govt. dues can be made without the consent of the depositor.

14 Under rule 9 of the amount at credit becomes the absolute property of the subscriber on his quitting the service and it should be handed over unconditionally.

15 I am of the opinion that the Complt's proposal cannot be legally upheld. The practice now in vogue of treating the S. P. F. deposits as exempt from liability even during the life time of the depositor is also wrong and may be confirmed.

16 It is however open to Govt. to modify the rules so as to provide for the recovery of the Govt dues from the balance at credit during the subscribers life time, and such action in that direction may be taken separately.

17 To L. L. Secy for favour of opinion as regards the point raised in the last para of this U/O the Complt.

10.9.46

18 I agree with the Fin Secy that in the absence of any specific rule, the State P. Fund

15/9.

NOTE—Contn. Sheet

Serial No

FINANCIAL SECRETARY SEP 1926

FINANCIAL SECRETARY 17 SEP 1926 No.....

OFFICE OF THE SECOND MEMBER OF COUNCIL 18 SEP 1926 No. 2175

FINANCIAL SECRETARY 21 SEP 1926 No.....

is not liable to the claim of Govt even during the life time of the depositor.

Fwd Secy with Compts.

19 The Compts note is agreed to & to be informed accordingly.

2nd member

20 Yes. The law in this respect was somewhat altered in British India recently. We may see if we may not model our law on similar lines. Mr 9-9-26

21 Draft Subd (The revision of our Regulation on the lines of the Br. Indian enactment is separately under consideration, the file of papers is before Secy. D. 1711)

22 Draft approved

Revision file Subd to Fd Sy separately

23 Issued

2 To the Compt to Govt letter No 2776 dy 29.9.26. Informs that the P.F. deposits of living depositors are not also liable to the claim of Govt

24 To the Edn Section to kindly take back their Printed file Edn 176-25 (linked) & returning this file.

Edn file taken & PF file returned

NOTE— Contn. Sheet

08250

FINANCIAL SECRETARIAT 14 AUG. 1926

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

No. 29 SPF

Bangalore, dated 11th August *192* 6

DIARY NO. 634

1926 – 1927

Secretariat BANGALORE G.F.

File No. 50.26

Serial No. 1.

From

S. Shamanna Esq., B.A.,
Offg: *Comptroller to the Government of His Highness the Maharaja of Mysore.*

GEN. & REV. SECTT. BR. 13 AUG. 1926 To C. D. SECTION

B. Srinivasa Iyengar Esq., B.A., B.L.,
Secretary to the Government of Mysore,
Financial Department, Bangalore.

Sir,

With reference to your letter No.Fl.7189/G.F.106-25-4 dated 25th June 1926, communicating the orders of Government in re. the practice adopted in my office of holding all classes of Provident Fund Deposits as exempt from liability and stating that the protection afforded by Section 4 applies to all deposits whether compulsory or optional, I have the honour to state that the letter referred to merely speaks of balances at credit of deceased depositors and attachment by Courts and the question of recovering Government dues from depositors who are alive has not been dealt with.

In the Education Provident Fund recently sanctioned in Government Order No.E.7081-2 Edn.176-25-2 dated 30th June 1926, it is laid down in Rule 40 that any amount due to Government can be deducted from the Deposit amount except in the case of deceased depositors. There is a similar ruling in the Railway Provident Fund. (Vide Para No.1 of the State Railway Provident Fund Rules). Under Rule 23 of the Mysore State Life Insurance Rules amount due to Government by the Insured is being deducted from the sum assured when the insured attains his 55th year or even when he dies. From Rule 10 of the Government of India General Provident Fund Rules, it will also be seen that only such portion of the

amount as is not affected by the attachment, assignment or encumbrance is paid to the subscriber when he quits the service. I am therefore inclined to think that Government dues may be deducted from the Deposits of living depositors.

I request that definite orders of Government may kindly be obtained in the matter in the case of the State Provident Fund.

I have the honor to be,
Sir,
Your most obedient servant,

S. Ramanuk
Offg. Comptroller.

CV

2/13

APP. F. VI. Cl.]

SUBJECT.....

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Diary No. of letter replied to. 634

General and Revenue Secretariat
(H)
the 192

Date of issue. 24.9.26

Signed by. Dpty. S. of S.

List of enclosures.....

Copied by.....

Examined by.....

Section GF
File No. 50-26.
Serial No 2
No. H 2776/

To

The Comptroller to Govt.

Sir,

With reference to your letter No. 29/S.P.F. dated 11/8/1926. regarding the question of recovering Govt dues from the State Provident ~~de~~ Fund deposits of living depositors I am directed to state that the Education & the Ry. Provident Fund Rules expressly provide for the recovery of the Govt dues from the amount at credit of the depositor during his life-time but such an explicit provision does not exist in the State Provident Fund Rules. In

over

in the absence of specific rule, ~~an amendment~~ in the State Provident fund is not liable the claim of Govt. even during the life time of the depositor & you suggest ~~Government~~ the adjustment

the absence of ~~a rule~~ such a rule the recovery of the Govt dues without the consent of the depositor cannot be made.

2. Under rule 9 the amount at credit becomes the absolute property of the subscriber on his quitting the Service & it should be handed over unconditionally

3. I am therefore to state that your proposal ~~that~~ Govt dues can be recovered from the deposits of living depositors cannot be legally upheld and the practice now in vogue of treating the ~~S.P.F.~~ State Provident Fund deposits as exempt from liability even during the life-time of the depositor is ~~obsolete altogether~~ all correct and may continue to be followed.

I may add that the question of amending the S.P.F. Regulation on the lines of the Br. Indian act is under consideration

I have checked

I am however to add that the Provident Fund Regulation is under revision on the lines of the Br. Indian act & the point may be noted while framing rules under the Revised Regulation

B
24/9

In Fail. Sy

HK
23926 B. 23/9